

ISSUES

The Top Crypto to Buy During the September “Flash Crash”

By Luke Lango and Charlie Shrem September 10, 2021

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If you’re anything like us, you’re a sports fanatic. And you probably are, because sports are hugely popular.

I (Luke here) grew up in a house in Southern California where professional sports were on our TVs all day, every day.

Dodgers during the summer. Chargers during the fall. Lakers during the winter. Any PAC 12 school during March Madness in the spring. Lather. Rinse. Repeat.



That may sound excessive. And it probably is – but it’s an excess that has become normal in modern society.

According to a Gallup poll, **~60% of Americans call themselves sports fans today**, and that number has been relatively consistent – give or take a few points – since 2000.

Those fans are binge watching sports. In 2018, the big four broadcast networks – ESPN, ESPN2, Fox Sports 1, and NBC Sports Networks – recorded more than **1 TRILLION minutes watched** by their viewers.

And you can forget the false narrative that “young people don’t care about sports because they have Netflix, Snapchat, and TikTok.” Guess what those kids are watching on Netflix? Sports documentaries. Guess what they’re watching on Snapchat and TikTok? Game highlights and trick shot videos.

Young people love watching sports. They just don’t enjoy a full game as much as their parents. They like the condensed highlights.

Regardless, sports are a huge part of our society today. For many of us, sports fandom is woven into our identities.

But, unlike our work ethic, or our intelligence, or even our looks, sports fandom is a part of our identities from which we have been **unable to glean financial rewards**.

If you work hard enough and put in extra time, you’ll make more money.

If you’re smart enough and create a new product or service, you’ll make more money.

If you’re good looking enough and score a TV role, you’ll make more money.

But if you watch sports enough... if you’re a big enough fan... well, maybe you’ll impress some people with your knowledge, but unless you’re a big gambler (which most of us are not), you are *not* going to be rewarded for your sports fandom.

That disconnect shouldn’t exist.

After all, professional sports players make millions upon millions of dollars on the back of your fanhood. Kansas City Chiefs star quarterback Patrick Mahomes is set to make about \$50 million *per year* over the next decade.



Who is footing that bill? The Chiefs.

How do they get their money? Revenue sharing agreements with the NFL.

How does the NFL generate revenue? Ticket sales and ad sales.

Who is buying those tickets, and who is being monetized with those ads? **You** and **you**.

You are directly responsible for Mahomes making \$50 million a year. ***Where's your cut?***

It's been absent for decades. But now, for the first time ever, you can get your cut. You can be financially rewarded for your sports fandom.

It's like a dream come true. And it's thanks to... you guessed it... the blockchain.

Blockchain Revolution, Meet Sports Fanhood

What is the Blockchain Revolution all about?

Longtime readers know the answer: **Disintermediating inefficient, unfair, expensive, and slow legacy economic systems.**

How? By replacing profit-taking middlemen with a blockchain-based technology platform (that doesn't take a cut) maintained by participants in the ecosystem who are financially incentivized to optimize the efficiency of the system.

That's the core breakthrough of blockchain technology. Forget the fantasy internet money narrative. Forget the governance. Forget even the currency aspect. The core breakthrough of blockchain technology is replacing people with technology, and aligning the financial incentives of every participant in the system.



That's it. It's that simple.

Of course, the big idea here is that every participant in a system should be able to financially benefit by simply being a good participant in that system. Everyone puts in work. Everyone gets a reward. The size of your reward output depends on the size of your work input.

It’s a very straightforward concept that can be applied to any industry.

So let’s apply it to **sports fandom**. Simply put, fandom in the Blockchain Economy means fans should be able to benefit from their fandom.

In a Blockchain Economy, fans should be able to invest in their favorite sports teams and even specific athletes, and benefit when those teams and athletes succeed. The more a sports fan “invests” in that team – by buying that team’s “token” – the more they should be rewarded.

Basically, you turn sports teams into something like stocks, where each team has its own blockchain-based currency, thereby allowing sports fans to invest in and earn from their fandom.

It’s a complete paradigm shift.

Currently, you pay to watch sports, either via a ticket sale or your monthly cable bill. Tomorrow – on the blockchain – you’ll be able to *get paid* to watch sports!

How cool is that?

It’s very cool. It’s very fair. And it’s very right. You deserve your cut. Blockchain will finally allow you to monetize your sports fandom.

One tiny cryptocurrency project is at the epicenter of pioneering this awesome future – and we are adding this altcoin to our *Crypto Investor Network* portfolio today!

The Cryptocurrency Powering the Next Evolution of Sports Fandom

I’m pleased and excited to introduce you to one of our team’s all-time favorite cryptocurrencies that we believe has a ton of upside potential: **Chiliz (CHZ)**.



Chiliz was developed in 2018 on the core idea of leveraging the blockchain to provide sports fans around the world with a new way to engage with their favorite sports teams, and provide the teams with a new way to monetize their global franchises.

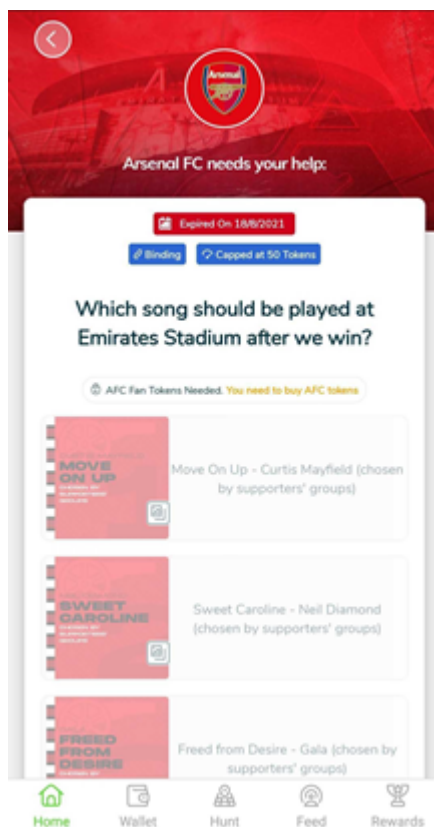
The project gave birth to the **Socios** platform – which allows sports fans to invest in their favorite sports teams – for which Chiliz is the common exchange token.

The process is simple. A consumer signs up for a Socios account, deposits some traditional fiat currency (like U.S. dollars) or Chiliz token acquired from an exchange, and then exchanges those Chiliz tokens for their favorite teams’ tokens. The value of those team tokens rises and falls with the success and failure of that team – and then those tokens can be re-exchanged for Chiliz when the consumer decides to “sell” his or her team.

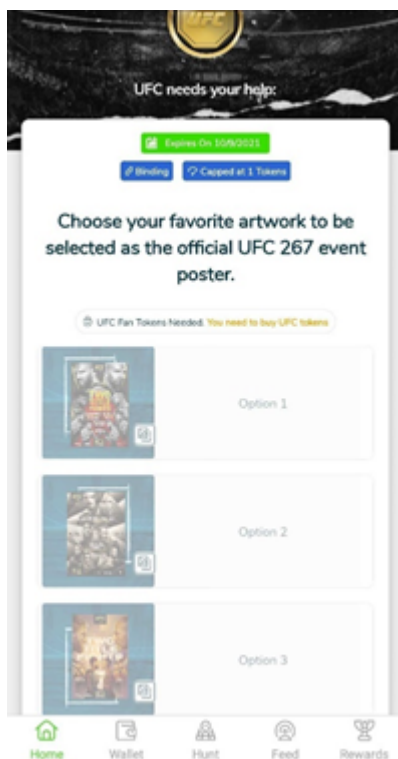
It’s essentially a **stock market for sports teams**.

And, much like companies reward big shareholders with big dividends and voting power in the stock market, teams reward big shareholders with exclusive merchandise, perks in the Socios marketplace, and even a voice with respect to team affairs.

For example, the soccer club **Arsenal FC**, which is partnered with Chiliz, has previously asked Socio users what song the club should play after the team wins a particular game.



Meanwhile, the **UFC** – another partner organization of Chiliz – recently asked Socios app users what artwork they wanted on the official UFC 267 event poster.



Pretty cool stuff, right? You can get paid for investing in your favorite teams, get exclusive merch from those teams, *and* have an influence on team-related decisions.

It’s cool for the teams, too – which is important, because you need team “buy-in” to make this work. Teams have a 50/50 revenue share agreement with Socios when their tokens are sold or traded, so the more their tokens are worth, the more they make, too.

Remember how one of the core breakthroughs of the Blockchain Revolution was aligning the incentives of all the participants? Well, ***Chiliz nails that on the head.***

Today, Socios is the largest non-exchange blockchain-powered app in the world, and Chiliz is a cryptocurrency with a \$2 billion market cap. There are about a million users on the Socios app, and around 45 teams across soccer, cricket, motor racing, NBA, and MMA that have partnered with the platform.

Clearly, Chiliz has come a long way in creating a new generation of sports fandom. But this project is still in the top of the first inning (to stick with sports).

There are a full eight and a half innings left in this game – and over those eight and half innings, we see Chiliz turning into one of the best performing cryptos in the market.

Here’s the story...

Just think about all the crazy sports fans you know... how many games they watch... how they live and die by the outcomes of those games.

Sports are an obsession. They’re a global addiction.

Socios and Chiliz are taking that addiction and **adding fuel to the fire** by allowing folks to financially invest in and benefit from their fandom.

Sports fans will chomp at the bit to do this because: 1) They all think they’re experts at sports (am I right?); 2) they all want to win money; and 3) they love to feel more deeply engaged and connected with their favorite sports teams.

Long term, you could easily see upward of 20% or even 30% of global sports fans use the Socios app.

About 60% of the world consider themselves “sports fans.” There are nearly eight billion people on this planet, so about five billion sports fans. If Socios nabs just 20% of those,

you’re talking an app that’s half the size of Facebook.

Facebook is a trillion-dollar company, and its platforms sell digital ads, meaning value per user isn’t that high.

Socios, on the other hand, engages sports fans via investing, perks, and voting rights. Those are huge engagement mechanisms. Value per user, at scale, should be much higher on Socios than on Facebook.

Nevertheless, Socios has a realistic opportunity to be more than half the size of Facebook. That implies a \$500 BILLION potential valuation here one day.

The current valuation for Chiliz is just \$2 billion.

See why we’re so excited about this token?

The project is innovative. The business is disruptive. The opportunity is huge. The price is right.

This token has all the ingredients of a huge long-term winner, and that’s why we’re adding it to our portfolio today.

Buy CHZ up to \$0.40. It recently broke above that price on a few occasions for the first time since May. It pulled back earlier this week in the recent crypto downdraft, providing a great buying opportunity.

Let’s Talk the “Flash Crash”

We are more than happy to buy Chiliz at current prices after its haircut over the past week. In fact, the entire crypto market fell in a mini “**flash crash**” that hit on Tuesday ahead of El Salvador officially making Bitcoin legal tender.

Here’s what happened there...

El Salvador has long marked early September as when it would officially make Bitcoin legal tender. Ahead of that announcement, traders on Reddit started trying to organize a

collective movement to get retail investors to buy a ton of Bitcoin *after* the announcement as a sort of celebration of the milestone.

Crypto whales (the big investors) got a hold of that news, and figured they should sell ahead of that event. So, some big holders of Bitcoin started selling on Monday. That tripped some sell alerts from the algorithms, which induced more selling and tripped off more sell alerts on different algos, which induced even more selling.

Within minutes, Bitcoin crashed nearly \$10,000, and took the whole cryptocurrency market with it.

We aren't concerned by this flash crash at all.

It's all near-term sentiment and optics driven. Those sentiment and optical drivers will fade nearly as quickly as they arrived. And when they do, the focus will return to the fundamentals underlying the crypto market, which are quite good.

We're seeing lots of consumer adoption and lots of positive headlines.

Non-fungible tokens (NFTs) are booming, with plenty of positive news flow revolving digital artists making millions off NFTs. Search interest in "NFT" is surging back close to all-time highs.

Golden State Warriors superstar Steph Curry – arguably one of the five most influential players in the NBA today – just signed a deal to be a "global ambassador" for FTX Trading Limited.

Thanks to the new NIL (name, image, and likeness) rules in college athletics, University of Michigan quarterback Cade McNamara just inked an endorsement deal with More management, a crypto company specializing in membership services, curated live experience, and digital collectibles.

UC Berkeley just added an online course on decentralized finance (DeFi) to its Fall 2021 semester offering. The University of Wyoming is also offering DeFi courses to students this semester. Across Europe, a handful of universities are doing the same thing.

Twitter is launching Bitcoin tipping, and trying to give everyone with a Twitter account seamless access to a digital wallet.

Vast Bank just became the first federally chartered U.S. bank to let customers buy and sell Bitcoin from checking accounts.

Google announced that Presearch – a decentralized search engine – will be a default search engine option on all new and factory-reset Android devices in Europe.



This is what matters. Not crypto whales trying to front-run a Reddit buying spree.

At the end of the day, increased consumer and enterprise adoption of blockchain platforms will drive cryptocurrency prices higher.

So long as adoption keeps rising, we will remain bullish.

And right now, adoption isn't just rising – it's **soaring**. That makes us more bullish than ever on the long-term potential of our cryptos, because what we have right now is the potent combination of improving fundamentals converging on discounted prices.

Speaking of our cryptos, let's dive into a review of each coin in our portfolio.

Portfolio Review

Helium (HNT) was on a rocket-ship ride for most of July and August, before getting turned around in early September thanks to the broader crypto flash crash.



We're not worried one bit. The Helium LongFi network continues to gain meaningful traction, and we're seeing healthy uptake in the number of miners out there. Indeed, this month, Helium passed 100,000 active nodes, meaning that over 100,000 Helium routers have been installed worldwide.

That's a big milestone. And this party is just getting started.

Overall, Helium is one of the only successful blockchain-based projects that provides a useful real-world application, and it seems to be just getting started. We'd be buyers on recent weakness.

Buy HNT below our revised limit of \$20. You can buy the coin on Binance.

Monero (XMR) jumped big in mid-August and then promptly gave back all those gains in the flash crash, coming back down to essentially where it was toward the beginning of August.

It's a very similar trading pattern to what we've seen emerge in many of our other altcoins. And, much like those altcoins, Monero could trade sideways a while longer as the broader market consolidates.

The news flow, however, provides firepower for a breakout once this consolidation is over.

The Monero developers have launched Bitcoin-to-Monero atomic swaps, which allow users to directly trade BTC to XMR via a decentralized blockchain-based swap. This is a critically important development, since Monero is not available on most exchanges. Bitcoin-to-Monero atomic swaps provide a way for anyone with Bitcoin to obtain Monero.

Overall, we remain long-term bullish on Monero, since it is the king of stealth cryptos, and most crypto users who are seeking true anonymity use Monero. **XMR remains a good buy at current prices and up to \$430.** It can be purchased on the Voyager exchange.

Polkadot (DOT) is by far one of the cryptos we are most bullish on right now. The token has been in a strong bull run since late July, soaring from around \$10 to roughly \$30 – a jaw-dropping 3X gain in just about six weeks. This far outpaces Bitcoin and many other altcoins.

The reason that Polkadot is so hot is that its parachains are becoming very popular with developers and investors. This isn't news to us. We've always known that Polkadot's parachains have the potential to revolutionize blockchain and decentralized application (dApp) technology. It looks like this is finally happening.

Parachains are highly specific and customizable blockchains. Before this week's flash crash, Polkadot was rallying strongly as the second round of its parachain auctions approached. Our scoop shows that an entire ecosystem of projects is competing to get a parachain slot on the Polkadot blockchain.

Overall, Polkadot is one of the hottest crypto picks today. It also has a very bright future thanks to its unique parachain technology. **DOT remains a good buy on the recent pullback and up to \$41.** You can buy it on Kraken or Bittrex.

Stellar Lumens (XLM) had a very bullish run from late July through mid-August, doubling from \$0.20 to \$0.40. The Stellar market has leveled out since then, and the same old flash crash brought the price per token down close to \$0.30.

This relative weakness compared to Bitcoin is unusual for our altcoins.

As for recent news, the Stellar Foundation is working on a project that will enable Thailand-Europe cross-border payments. This is in line with Stellar's general mission to use cryptos to increase the efficiency of money remittance worldwide.

Overall, Stellar Lumens is lukewarm right now, as it hasn't performed optimally relative to other cryptos the past couple of weeks. But the fundamentals continue to improve, and we see recent weakness as an opportunity for folks who want more exposure. **Keep buying XLM up to \$0.65** on Coinbase.

The Graph (GRT) – like many of our tokens – appears to be stuck in a sideways consolidation pattern following the recent crypto crash.

As you know, we suspect this consolidation will persist. Rising tides lift all boats. Falling tides sink all boats. Tides going nowhere keep most boats in place. This boat will stay in place for now.

But not forever. We are very bullish on the news flow here. The Graph Foundation has partnered with the developers of Optimistic Ethereum to provide increased scalability for the Ethereum network, and as a result, The Graph will deploy its cutting-edge indexing and querying technology to make Ethereum faster.

Overall, it seems The Graph is living up to its promise of being the "Google of the Blockchain," and we continue to like this token for the long haul. **GRT remains a buy up to \$1.90.** It can be bought on Coinbase.

Uniswap (UNI) is another altcoin that has outpaced the broader crypto markets with its price rising 100% from \$14 in the middle of July to above \$30 in mid-August.

The big drivers here are fundamental catalysts. Big picture: Uniswap has the attributes to be a central hub of DeFi, and we continue to see countless new cryptos being launched on the exchange every week.

To be sure, there is an SEC investigation into Uniswap Labs, the developer behind Uniswap. That has created some significant legal headwinds for the token, which has topped out multiple times just above \$30 over the past month.

We don't see the token breaking this \$30 level so long as the SEC investigation remains a major issue. But we also don't think the SEC investigation will have any meaningful or lasting impact on the token, and therefore, interim weakness is an opportunity.

Buy UNI below \$35. This is another of our coins that can be purchased on Coinbase.

The Rhythm of Cryptos... And Life

What's crypto investing without a few panic crashes?

Honestly, crashes have become such the norm in the crypto world that many investors – including us – have grown **numb to it**.

Pretty much everything in life takes one step back for every two steps forward. Cryptos operate the same way. The only difference with cryptos is that each step is a giant leap of 50% gains or more – oftentimes even 100% or more – and each step back is a giant collapse of 20% or more.

So... 100% up... 20% down. That nets out to roughly 80% up, and that's why the long-term chart for all of our cryptos comprises a line that (mostly) goes up and to the right.

In other words, the key to investing in cryptos is to *not* freak out when everyone else freaks out. Historically, that has proven to be a losing investment strategy. This time will prove no different.

So, **keep calm and invest on.**

As we described earlier, the fundamental adoption trends here are very healthy. Star athletes. Big organizations. Banks. Universities. They're all embracing and adopting cryptos.

The more they do – and they will – the higher crypto prices will trend in the months and especially the years ahead.

Stay focused on the adoption trends. Ignore everything else. That will help you score enormous returns in the crypto market.

That's why you're here, so let's make it happen.

Sincerely,

A stylized, handwritten signature in black ink, appearing to read 'Luke Lango'.

Luke Lango

Editor

Crypto Investor Network

A handwritten signature in black ink, clearly legible as 'Charlie Shrem'.

Charlie Shrem

Editor

Crypto Investor Network

